5/01/047



Michael O. Leavitt Governor

Kathleen Clarke Executive Director Lowell P. Braxton Division Director State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

August 30, 2001

Re: Second Notice - Delinquent Permit Fees, Minerals Regulatory Program

Dear Permittee:

Our records indicate that we have not received your annual permit fee payment(s) for the 2001 fiscal year. The enclosed "Delinquency Notice" is sent as a second reminder that your annual payment is overdue for the listed project(s). Payment was due by July 27, 2001, for the original billing statements sent June 30, 2001. Your annual fee is now 30 days past due. If you have already sent in your payment, please accept our thanks and disregard this notice.

If you have reclaimed the project site and no longer wish to keep your permit active, you may check the box on the enclosed billing notice requesting a Division site inspection. This will suspend your fee payment until we can perform a site inspection. If our inspection shows that the site is stabilized and meets the 70% pre-mining revegetation success standard, then the project can be released and the case file closed. If the site is not satisfactorily reclaimed, you will be notified accordingly and the annual fee must be received within 30 days of the inspection date.

The annual permit fee(s) must be submitted to keep your permit in effect. All 1998-1999 and 2000 delinquent fee payments have now been turned over to the Utah Office of Debt Collection (ODC) for further action. The ODC assesses subsequent interest, late penalties and a collection fee to the delinquent accounts.

An operator's failure to pay the required annual permit fee may result in permit revocation (cancellation) proceedings before the Board of Oil, Gas and Mining. Cancellation of your permit will not release you from any outstanding reclamation requirements on the project area. We hope to avoid taking any enforcement action with the 2001 year fees payments. Please either submit your payment; check the box, if the site is reclaimed, requesting a site inspection; or contact us immediately to explain the extenuating circumstances for non-payment.

If you have any questions regarding this letter, please contact me at (801) 538-5286 or Joelle Burns at 538-5291. Thank you for your immediate attention to this matter.

Sincerely,

D. Wayne Hedberg Permit Supervisor

Minerals Regulatory Program

jb

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TERRA RESOURCES LLC 2016 SOUTH MONTANA AVE PROVO UT 84606

ATTENTION: JEFF SAGERS

DELINQUENCY NOTICE	Annual Permit Fee	es (July 200	og thru June 2001) ⁷
PROJECT NAME	PROJECT ID	ACRES	BILLING DATE
SOUTHERN WHITE/MOUNTAIN ROSE	S010047	NA	06/27/2001
PERMIT TYPE	PROJECT STATUS		ANNUAL FEE
SMALL MINING OPERATION < 5 ACRES	ACTIVE		\$ 100

 DUE DATE
 AMOUNT DUE

 09/30/2001
 \$ 100

Please see enclosed instructions for payment.

Please retain this portion for your records. For billing Information call (801) 538-5291

This portion MUST be returned with your payment to ensure proper credit. THANK YOU

ACCOUNT BILLED	PROJECT NAME		PROJECT ID	
TERRA RESOURCES LLC	SOUTHERN WHITE/MOUNTAIN ROSE		S010047	
DUE DATE ANNUAL FEE AMOUNT DUE \$ 100 TAX ID OR SOCIAL SECURITY #	Permittee requests an inspection to close out this permit.	Change of A		
DIVISION OF OIL GAS AND MINING 1594 WEST NORTH TEMPLE SUITE 1210 PO BOX 145801 SALT LAKE CITY UT 84114-5801		State Zip Phone		

Please make check payable to:
Division of Oil, Gas and Mining